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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 26, 2000

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE980813

Ex Parte: In the matter of
considering an electricity
retail access pilot program -
Virginia Electric and Power Company

ORDER GRANTING PETITION FOR RECONSIDERATION

On April 28, 2000, the Commission issued its Final Order in the captioned case ("Final Order"), approving Virginia Electric and Power Company's ("Virginia Power" or "the Company") pilot program. Among other things, the Final Order stated that Virginia Power's proposed method for determining the wires charge rate design should be used for all customer classes except the residential class. For that class, the Final Order directed that the Commission Staff's proposed Option 1 should be used.

On May 17, 2000, the Staff filed a Petition for Reconsideration ("Petition") of the Final Order. The Petition stated that, upon considering the recently updated market price information, Staff determined that the Option 1 methodology would result in a negative wires charge in summer rates for residential customers participating in the pilot program. Staff proposed a slightly modified methodology for the residential class. Pursuant to the modified methodology, Virginia Power customers using a competitive generation supplier would pay a zero wires charge during the summer, and would pay a somewhat lower wires charge in the base months than would have resulted from the use of Staff's Option 1.

By Order dated May 18, 2000, the Commission granted the Petition for the purpose of considering the use of Staff's alternative methodology. The Commission provided an opportunity for other parties in the case to comment on the alternative methodology on or before May 23, 2000.

No comments were received.

NOW UPON CONSIDERATION, the Commission finds that Staff's proposal to modify the methodology that will be used for the residential customer class should be adopted. Staff represented that the Company does not object to the revised methodology, and no party filed comments in opposition to Staff's proposal. Accordingly,

IT IS ORDERED THAT:

- (1) Staff's proposal to revise the methodology to be used in Virginia Power's pilot program for determining the wires charge rate design for the residential class is hereby adopted.
- (2) This matter shall remain open for the purpose of receiving reports by Virginia Power, and for other matters concerning the Pilot Program, as they may arise.